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REAL ESTATE

19 September 2025

Office REITs – regional operators, poised for growth

- **Demand for professionally managed Grade A office space by diverse sectors to drive growth of +10% CAGR in office stock through FY31E**
- **Improved use of existing space and incremental income from added leasable area to drive DPU growth of ~+11% CAGR through FY28E**
- **Leasable space in growth markets and the ability to expand leasable area through accretive investments remain key**

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Recommendation snapshot

Ticker	Price	Target	Rating
BIRET IN	328	379	BUY
EMBASSY IN	411	451	HOLD
MINDSPCE IN	448	521	BUY

Price & Target in Rupees | Price as of 18 Sep 2025

As of 1Q26:

MINDSPACE (BUY) manages 30.2msf of office assets split between Hyderabad (43% of leasable area) and the Mumbai Metropolitan Region (39% of leasable area) with the highest committed occupancy (91.9%) among its peers. We expect higher occupancy to improve in-place rents at an annualised rate of +6.1% through FY28E and expect MINDSPACE to fund growth at a lower (vs peers) cost of debt as it refinances debt (43.8% of total outstanding) expiring through FY28E.

BIRET (BUY) manages 24.5msf of office assets concentrated in Delhi NCR (~70% of leasable portfolio). The REIT has expanded leasable area at the fastest pace amongst peers (+18.9% CAGR over FY21-25) and extracts the highest rents (₹97psf/m) from a diverse tenant base. We believe an acquisition-led expansion strategy will help BIRET expand leasable area faster than its peers and expect BIRET to benefit from lower interest expense as loans linked to the repo-rate (~88% of total outstanding) adjust to lower rates.

EMBASSY (HOLD) manages 40.4msf of office assets concentrated in key areas of Bengaluru (~64% of leasable portfolio). Given the quality and location of its assets, EMBASSY has the potential to push occupancy (88%) and in-place rents (₹92psf/m) to levels higher than peers. However, the REIT relies mostly on developments to expand leasable area, which limits its pace of growth. Additionally, high levels of debt (LTV of 33%) limit EMBASSY's ability to translate growth in rental income to growth in DPU.

Fig 1 – Estimates and Valuation

(%)	FY2026E	FY2027E	FY2028E	Merited DPUx
MINDSPACE	10.0	10.9	18.2	18.1x
BIRET	11.1	8.0	8.6	16.3x
EMBASSY	9.7	10.5	12.8	15.8x
Average	**10.3**	**9.8**	**13.2**	**16.7x**

Source: Company, BOBCAPS Research

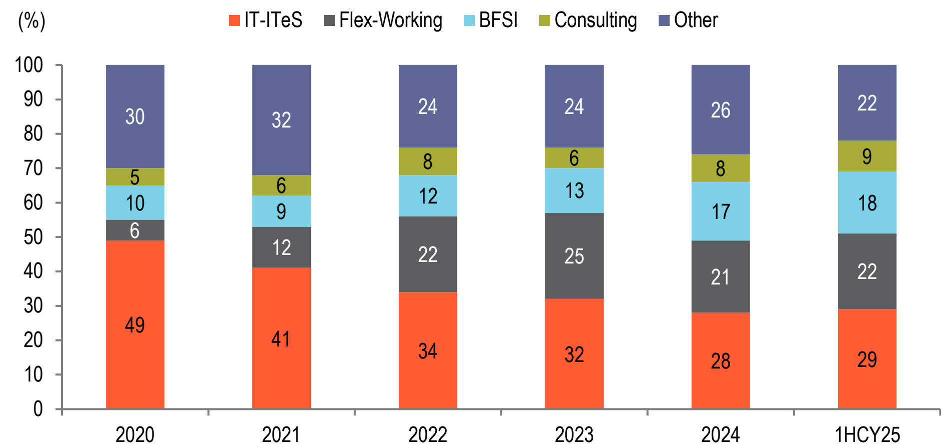
Opportunity for Office REITs in India

India has demonstrated robust economic growth, has a large skilled talent pool and enjoys a cost advantage when compared with international peers. As a result, the office market is experiencing a surge in demand for office space by both foreign and domestic enterprises. Demand is shifting toward high-quality office assets with modern amenities, focused on sustainability (Grade A).

Demand for office space is being driven by diverse sectors like engineering & manufacturing, BFSI and flex spaces; including the traditionally strong IT sector. We believe leasing by:

- Global Capability Centre's (GCCs) will contribute meaningfully (~40% of total office lease-up in CY2025) by leasing space in established office markets (NCR, Mumbai Metropolitan Region and Bengaluru), complimented by additional leasing in Tier 2 cities, driven by hybrid-work models, lower costs and availability of talent.
- Flex space operators will make up ~20% of office space demand in CY2025 as tenants adopt flexible leases and managed office spaces in pursuit of the 'Core + Flex' model.

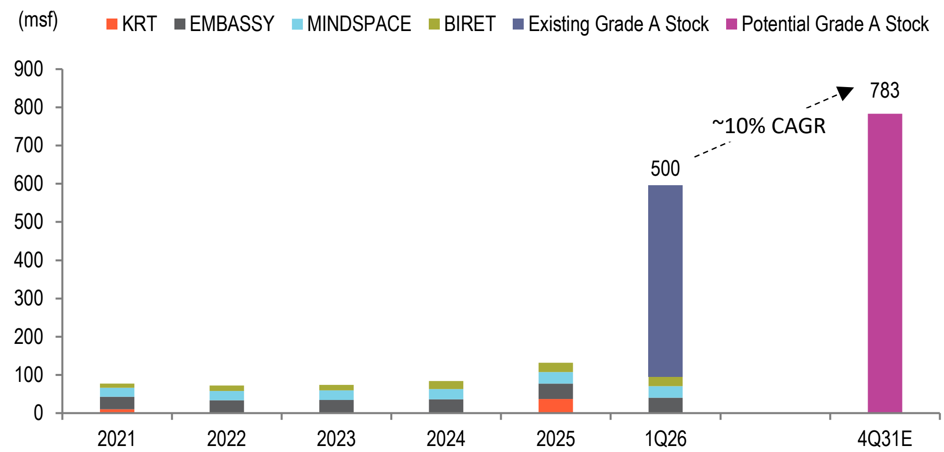
Fig 2 – Demand for space from diverse tenants driving leasing



Source: Colliers, BOBCAPS Research

As of 1QFY26, the existing office stock in India stands at 814.2msf, of which, Grade A assets amount to ~500msf (61.4%). ~139msf of this Grade A office stock is already managed by REITs, making ~361msf of additional office stock potentially available for acquisition. Furthermore, office stock is expected to grow by ~10% CAGR through CY2030 to be around 1,306msf. We believe that a greater proportion of the new office supply coming in to the market is likely to be Grade A but choose to remain conservative and expect Grade A assets to be ~783msf by 4QFY31 (~60% of CY2030 Office stock).

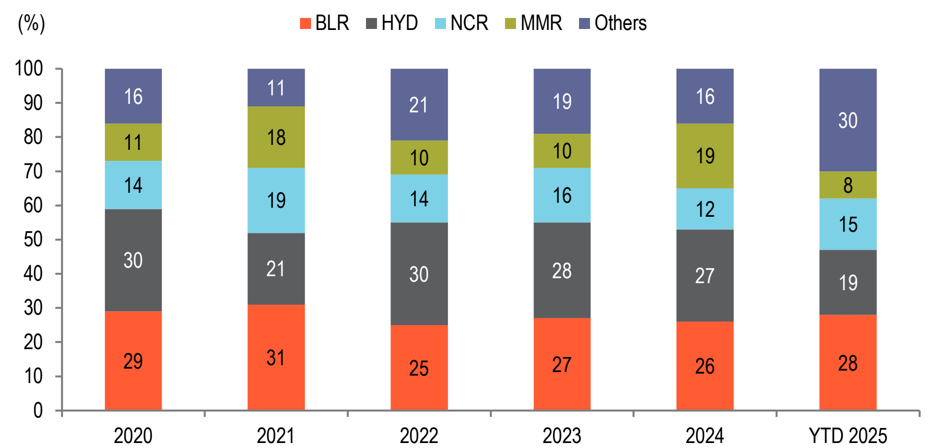
Fig 3 – Grade A office stock to grow by ~10% annually through FY31



Source: Colliers, BOBCAPS Research

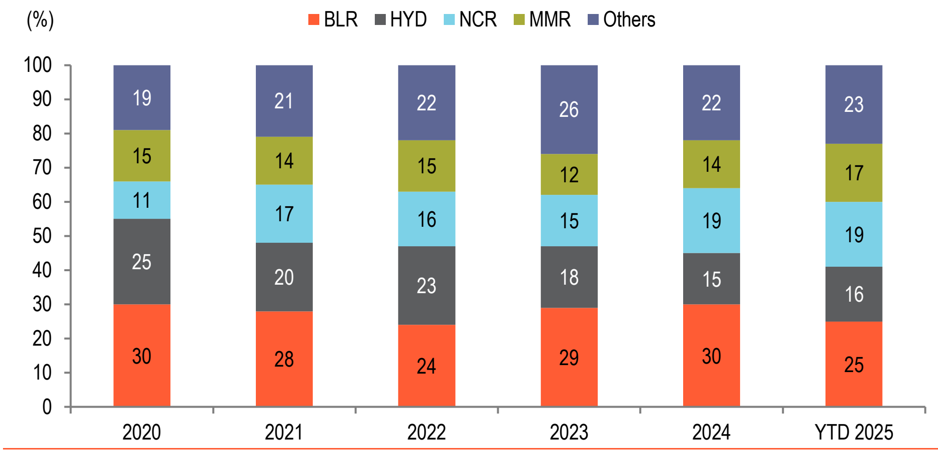
Over CY20-1H25, Bengaluru and Hyderabad have accounted for 54% of the supply and 47% of the absorption of the total office stock in India. Organised built-up supply of office space in the two cities is expected to make up ~53% of the total organised built-up office spaces by CY30, or ~415msf of Grade A office space in Bengaluru and Hyderabad alone. We believe **Office REITs with Grade A assets in Bengaluru and Hyderabad have a clear advantage in being able to capitalize on their existing presence and grow their portfolios**.

Fig 4 – Bengaluru and Hyderabad account for most of the office supply



Source: Colliers, BOBCAPS Research

Fig 5 – Bengaluru and Hyderabad also account for most of the office absorption



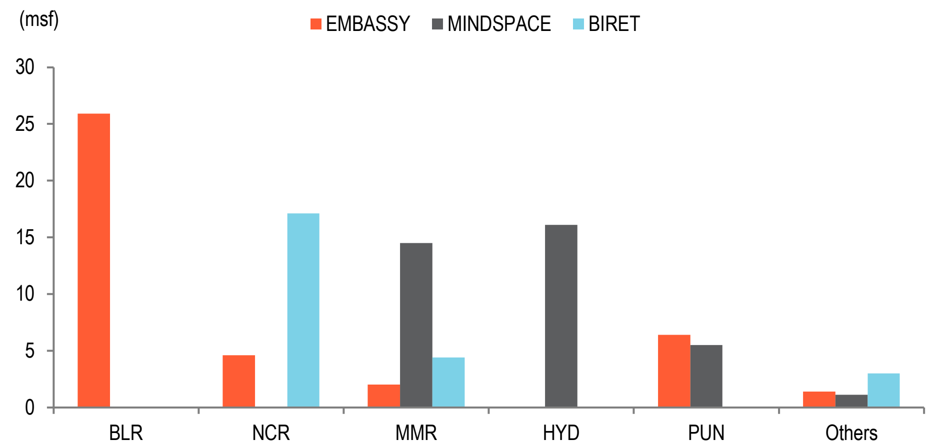
Source: Company, BOBCAPS Research

Leasing and Portfolio

Office REITs have concentrated portfolios and exhibit regional concentration (Fig 6).

- **EMBASSY** has 64.3% of its leasable area concentrated in Bengaluru and accounts for 63.0% of the total space under listed REIT management in the city.
- **BIRET** with 69.8% of its leasable area concentrated in the region, makes up majority of the space in Delhi NCR, accounting for 76.7% space under listed REIT management.
- **MINDSPACE**'s portfolio is split between **Hyderabad** (43.3% of leasable area) and **Mumbai Metropolitan Region** (39.0% of leasable area), making up 55.5% and 53.9% of space under listed REIT management in the respective cities.

Fig 6 – Office REITs exhibit regional concentration



Source: Company, BOBCAPS Research

Fig 7 – Office REITs Portfolio Characteristics

	EMBASSY	MINDSPACE	BIRET
Leasable Portfolio (msf)	40.4	30.2	24.5
WALE (Years)	8.3	7.6	6.8
Committed Occupancy (%)	88.0	91.9	89.0
in-place Rent (₹)	92.00	72.90	97.00

Source: Company, BOBCAPS Research

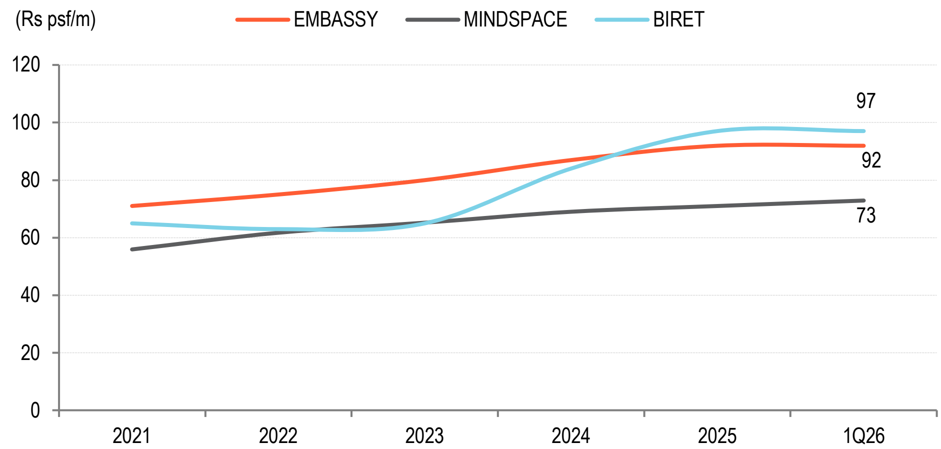
BIRET manages its office assets most efficiently driving superior in-place rents within its portfolio.

- Committed occupancy of 89.0%, though marginally below peer average of 89.63%, (FY21-1QFY26) is above the average occupancy in Grade A offices in Delhi NCR (87.8% over 1HCY25). We believe this is driven by the robust demand for space in BIRET's portfolio.
- Despite being concentrated in Delhi NCR where rents have grown +2.3% CAGR over FY21-25, BIRET has grown in-place rents at an annualised rate of +10.5% over the period to Rs97psf/m, demonstrating efficient monetisation of space in its portfolio (Fig. 8).

New office supply has exceeded office absorption since before CY19, pressurising occupancy and rental growth in Hyderabad. The region remains over-supplied with average vacancy of 26.6% (16.45% peer city average) over 1HCY25. We expect **MINDSPACE to have the largest upside to growth from its existing portfolio** despite being concentrated in the region, contingent on an improvement of the market dynamics in Hyderabad.

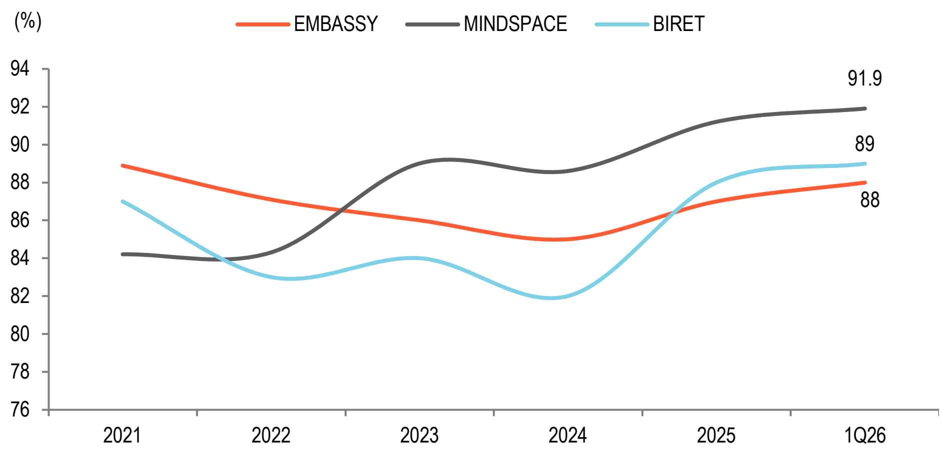
- MINDSPACE has the highest committed occupancy of 91.9% amongst peers as of 1Q26 (Fig. 9). We believe that committed occupancy should improve further as management works through the hurdles in SEZ demarcation of space in Mindspace Airoli East (350ksf) and Madhapur (200ksf). Being concentrated in Hyderabad where the average occupancy is ~83.4%, the high occupancy in MINDSPACE's portfolio signals efficient management of space in its portfolio and high demand for its assets.
- Office supply additions slowed to +1.5msf (+11% y/y) vs 2.3msf of net office absorption (+21% y/y) over 1HCY25. Given the robust demand for office space in Hyderabad, we expect controlled supply addition to improve in-place rents in MINDSPACE's portfolio (Rs72.9psf/m as of 1Q26).

Fig 8 – BIRET monetises its leasable area most effectively



Source: BOBCAPS Research, Company

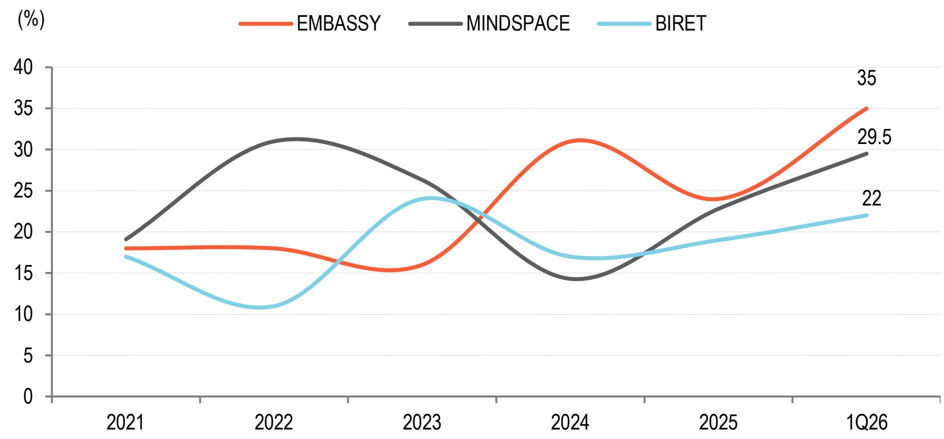
Fig 9 – MINDSPACE has the highest committed occupancy in its portfolio



Source: Company, BOBCAPS Research

EMBASSY REIT benefits from having Grade A office assets concentrated in Bengaluru. The city has the largest office stock in India, with 6.91msf of office supply (+26% y/y; 3.51msf peer average) added and 6.55msf (+64% y/y, 3.83msf peer average) of space absorbed over 1HCY25. Demand for office space in Bengaluru has pushed office vacancy to 12.4% (below peer average 16.5%) and average office rentals to Rs97psf/m. Despite benefitting from high average leasing spreads of 23.7% over FY21-1Q26 (35% as of 1Q26), EMBASSY REIT has not been able to capitalise effectively on the quality and location of its assets, growing in-place rents by +6.7% CAGR over FY21-25 (below peer average of 7.8%).

Fig 10 – Location and quality driving high re-leasing spreads for EMBASSY



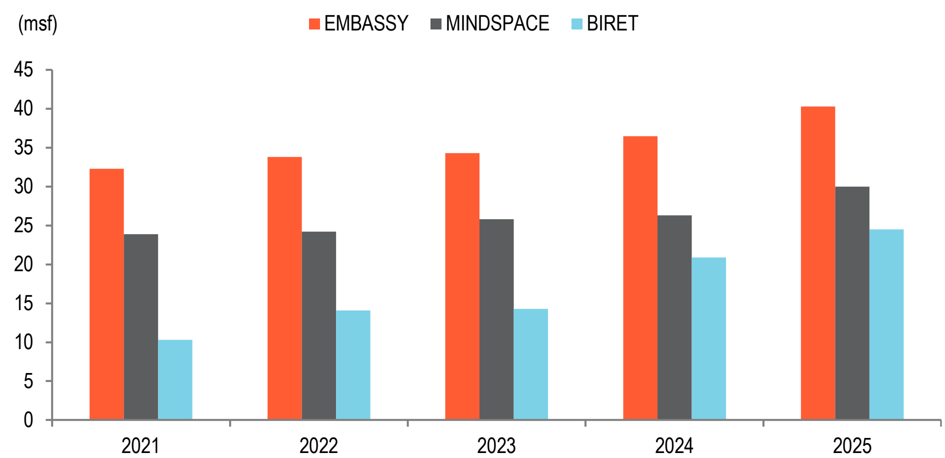
Source: Company, BOBCAPS Research

Growth

Leasable area under the management of listed Office REITs grew +9.4% CAGR over FY21-25, through a combination of the acquisition of existing stock (sponsor group and third party) and investments in the development of under-construction office assets.

- **BIRET stands out for having expanded completed leasable area by +24.2% CAGR** through the acquisition of stabilised office assets. Its peers — EMBASSY and MINDSPACE — have expanded completed leasable area by an average of +5.8% over the same period. We believe the acquisition of assets helps BIRET add leasable area and assimilate new assets to its portfolio more rapidly than its peers.
- EMBASSY and MINDSPACE have expanded leasable area under management mainly by investing in under-construction office assets and developing those assets. On average, developments take between 2-4 years to complete and another ~1.5 years to achieve stabilisation, limiting pace of growth.

Fig 11 – BIRET relies on acquiring stabilised office assets for growth

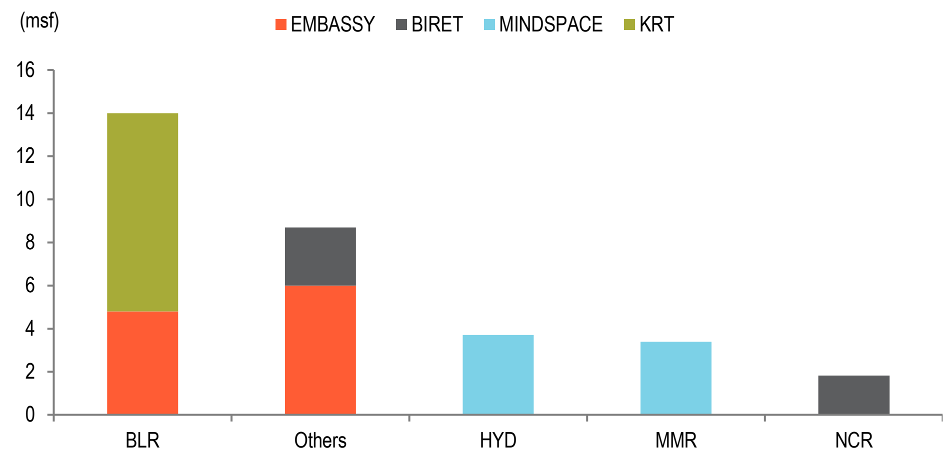


Source: Company, BOBCAPS Research

Despite lower yields on acquisitions (vs developments), we believe acquisitions are a more efficient way to grow leasable area under management, especially given the ready availability of Grade A office stock. To pursue inorganic growth, Office REITs have the option of choosing between exercising Right of First Offer (ROFO) on sponsor assets or exploring third-party acquisitions.

As of 1Q26, Office REITs had the option to develop (under construction and construction potential) ~32msf across their portfolios, not only in the main markets of Bengaluru, Hyderabad, Mumbai Metropolitan Region and Delhi NCR, but also in Tier 2 markets like Pune, Chennai, etc.

Fig 12 – Option to develop most in Bengaluru and Tier 2 markets



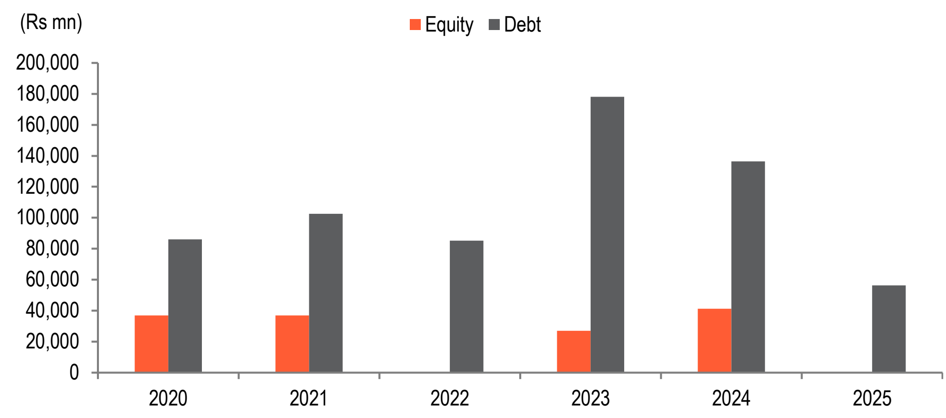
Source: Company, BOBCAPS Research

Since REITs are mandated to distribute a minimum of 90% of cashflows to unitholders, access to internal accruals is constrained. REITs are therefore limited by their ability to raise capital to fund their growth either by acquisitions or developments.

Funding

Office REITs have funded the growth in leasable area by issuing both equity and debt capital. While both risk diluting distribution yields, office REITs have preferred debt capital to fund growth.

Fig 13 – Office REITs have preferred debt to raise capital for growth

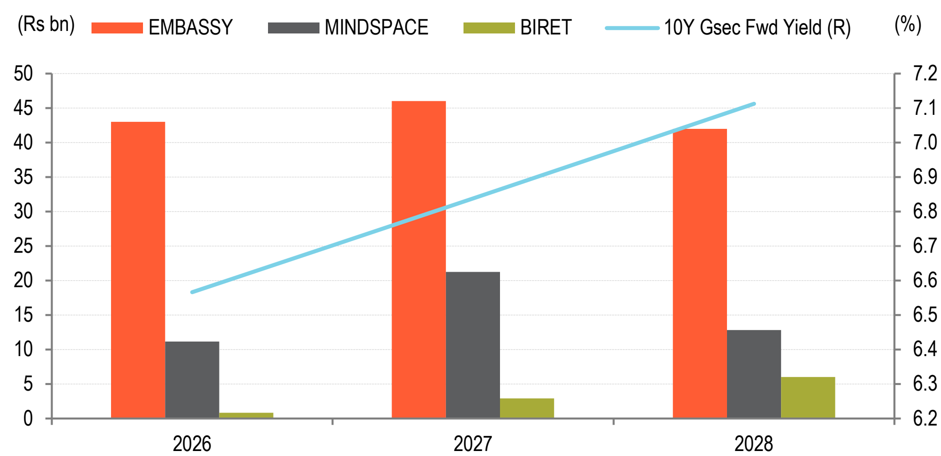


Source: Company, BOBCAPS Research

REITs are limited in their capacity to issue debt securities under SEBI REIT Regulations that dictate Loan to Value (LTV) must not exceed 49% (Consolidated Net Debt/Gross Asset Value). As of 1Q26, average LTV of Office REITs was 29.1%, above 5Y average of 25.1%. Our conversations with management have suggested that Office REITs have internal LTV targets, much below the 49% mandated by SEBI regulations and that spreads on borrowings start to expand significantly once LTV crosses 29-30%.

With ~40% of Office REIT debt maturing through FY28, we believe a falling interest rate environment offers REITs an opportunity to re-finance debt at lower rates. We expect Office REITs to opportunistically raise and re-finance expiring debt to lock in lower rates for longer durations.

Fig 14 – ~40% of Office REIT debt maturing through FY28



Source: Company, BOBCAPS Research

Mindspace Business Parks REIT (MINDSPACE)

MINDSPACE, sponsored by Anbee Constructions LLP and Cape Trading LLP of the K. Raheja Corp Group, operates and manages completed leasable area of 30.2 msf spread across Hyderabad, Mumbai Metropolitan Region, Pune and Chennai. MINDSPACE has a sizeable presence in Hyderabad (43.3% of completed leasable area) and Mumbai Metropolitan Region (39.0% of completed leasable area) — making up 55.5% and 53.9% of area under REIT management in the respective cities. Over FY21-25, MINDSPACE improved committed occupancy in its portfolio by 700bps to 91.2% (higher than peer average +203bps), driven by the lease-up of vacant space in its properties in Mumbai Metropolitan Region, Pune and Chennai. We believe that an additional pick-up in occupancy and incremental NOI from leasable area added to the portfolio is going to result in an annualised DPU growth of 13.0% over FY26E-28E.

Fig 15 – MINDSPACE at a glance

MINDSPACE	2021	2022	2023	2024	2025
Leasable Portfolio (msf)	23.90	24.20	25.80	26.30	30.00
Committed Occupancy (%)	84.2	84.3	89.0	88.6	91.2
in-place Rent (₹psf/m)	55.90	61.70	65.20	69.00	71.00
re-leasing Spreads (%)	19.1	31.0	26.3	14.3	22.8
WALE (Y)	6.0	6.9	7.0	6.8	7.4
DPU	19.2	18.5	19.1	19.2	22.0
LTV (%)	14.0	15.7	17.9	21.1	24.3
Average Cost of Debt (%)	7.3	6.6	7.6	7.8	8.2

Source: Company, BOBCAPS Research

Investment Rationale

- MINDSPACE has an **established presence in key growth markets** of Hyderabad (43.3% of total leasable area) and Mumbai Metropolitan Region (39.0% total leasable area). We expect the REIT to be able to **capitalise on its high committed occupancy** to drive in-place rents higher by an annualised rate of +6.1% through FY26E-28E.
- Over FY21-25, MINDSPACE expanded total leasable area by an annualised rate of +5.8% to 30.2msf through a combination of developments and acquisitions. We are encouraged by the **management exploring both developments and acquisitions to expand leasable area** and expect additional NOI of ~Rs6,385 mn from incremental projects in the pipeline (3.23msf of developments and stabilisation of Q-City) over FY26E-28E.
- We believe MINDSPACE's **effective management of financial leverage** (LTV of 26.2% as of 1Q26; below peer average of ~29%) will enable MINDSPACE to effectively re-finance maturing debt at lower rates and reduce interest expense by ~Rs112 mn over FY26E-28E.

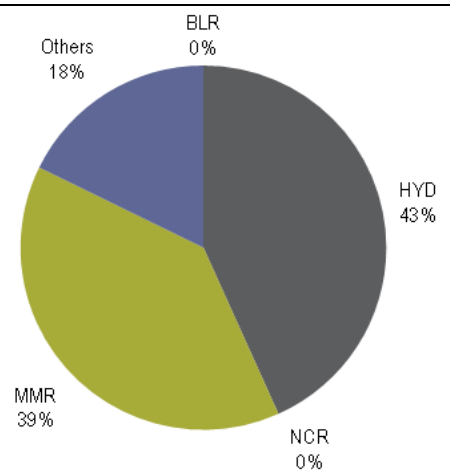
MINDSPACE is managed by:

- **Ramesh Nair (Chief Executive Officer and Managing Director)** has over 25 years of experience in real estate. Previously, he was the CEO & Country Head at JLL India and CEO, India, and MD, Market Development, Asia, at Colliers. He is a Harvard Business School alumnus.
- **Preeti Chheda (Chief Financial Officer)** has been associated with K Raheja Corp for 17 years. Having worked at Marico, Shell Gas, and Cairn Energy. A CA, CS, CFA Charterholder, and CPA (Colorado, USA), she serves on SEBI and IFSC committees and was conferred with the Economic Times and Business World Best CFO Award in 2024.
- **Sreekanth Reddy (Senior Vice President and Head of Commercial Leasing)** has over two decades of expertise in the real estate and international property consultancy sectors. He previously held the position of Managing Director at Cushman & Wakefield and has worked with Bagmane Developers, Tishman Speyer, Ascendas, and Puravankara. He holds an MBA in Marketing from B.M.S. College, Bangalore.

Portfolio

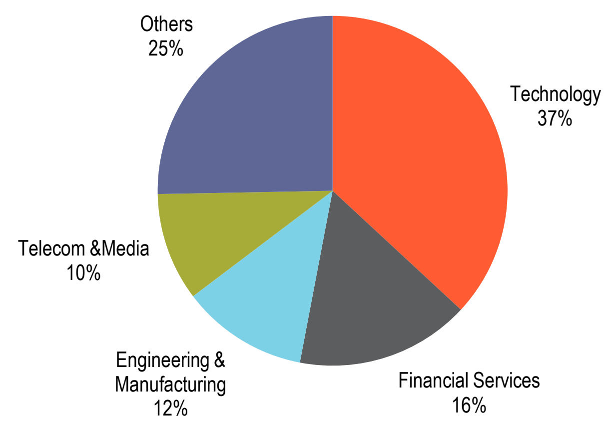
MINDSPACE's portfolio is leased out mostly to IT tenants (36.9% of contracted rentals as of 1Q26). Its top ten tenants account for 34.7% (higher than 33.3% peer average) with British Petroleum, its largest tenant contributing 6.7% of gross contracted rents (as of 1Q26). Though management did not flag any large exits/risks arising from the prevailing global trade tensions, we believe MINDSPACE is the most exposed among peers as a result of its IT heavy portfolio.

Fig 16 – MINDSPACE has an established presence in Hyderabad and Mumbai Metropolitan Region



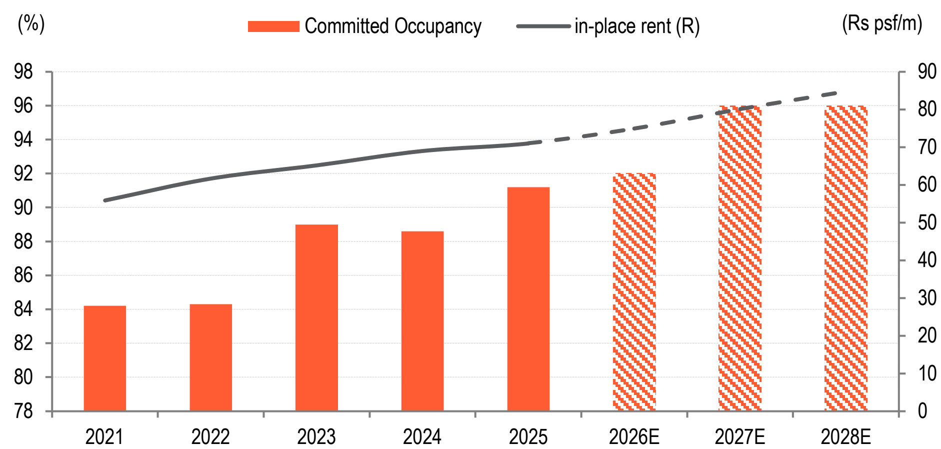
Source: Company, BOBCAPS Research

Fig 17 – Mostly leased out to IT tenants, exposing MINDSPACE to macro-economic risks



Source: Company, BOBCAPS Research

Fig 18 – MINDSPACE's portfolio has the highest committed occupancy amongst its peers



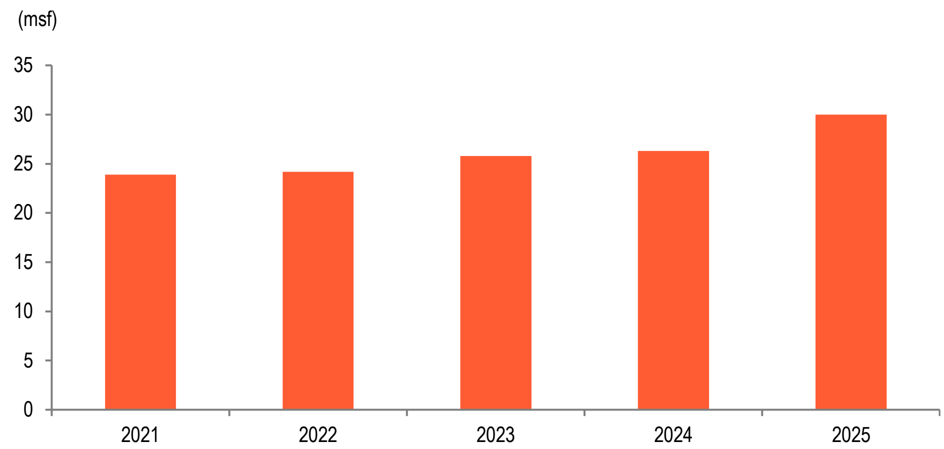
Source: Company, BOBCAPS Research

In-place rents in MINDSPACE's portfolio have lagged peers (Rs72.9psf/m as of 1Q26 vs Rs87.3psf/m peer average) as its office assets in MMR, CHN and PUN generate lower than the respective market average rents. We expect improving occupancy in the portfolio will result in the realisation of higher in-place rents at an annualised rate of +6.1%.

Growth

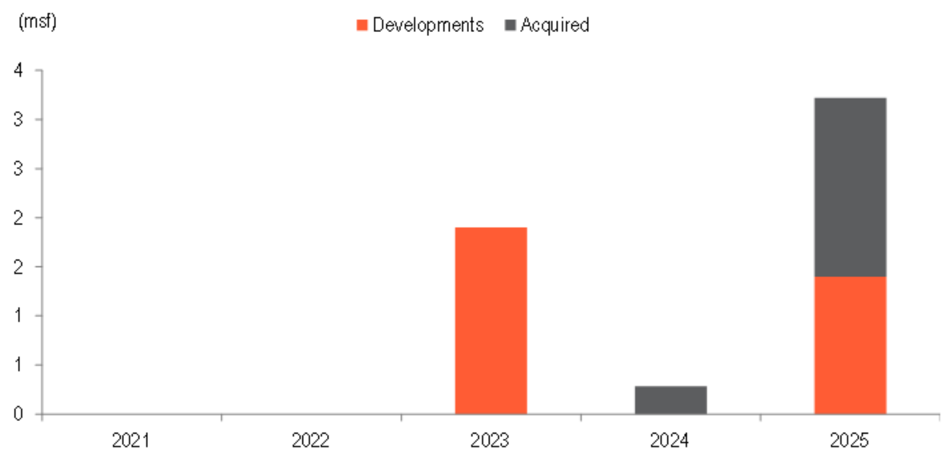
Over FY21-25, MINDSPACE has expanded its leasable portfolio and in-place rents at annualised rates of 5.8% and 6.2% respectively. MINDSPACE grows its leasable portfolio mainly by investing in under-construction properties and developing them. The REIT also opportunistically acquires sponsor (via ROFOs) and third-party assets.

Fig 19 – MINDSPACE has grown leasable area by +5.8% CAGR



Source: BOBCAPS Research, Company

Fig 20 – Increase in leasable area through both developments and acquisitions



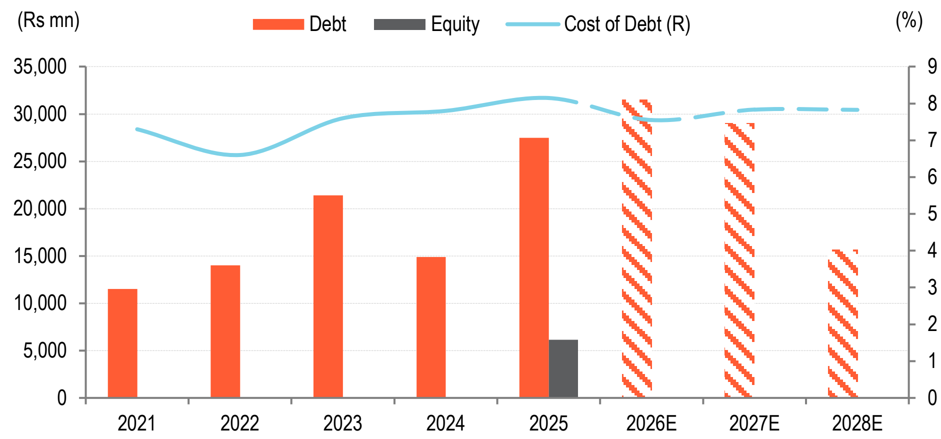
Source: Company, BOBCAPS Research

As of 1Q26, management stated that their priority is to grow by making strategic acquisitions. In addition to an under-construction pipeline of ~3.7msf, MINDSPACE benefits from ROFO options provided by its sponsor and is also open to considering additional third-party assets for acquisition. We expect ~1.97bn of stabilised NOI to flow through as new acquisitions and developments come online over FY26-28.

Funding

MINDSPACE funds growth primarily through debt, with selective equity issuance for SPV acquisitions. Over FY21-25, MINDSPACE funded growth with an average LTV of 18.89% (25.25% peer average;) at an average cost of debt of 7.48% (7.55% peer average). Management has an internal target to stay below 35% LTV, giving MINDSPACE enough room to take on additional debt of ~Rs30bn to fund its growth, assuming MINDSPACE issues no equity. With ~44% of total outstanding debt as of 1Q26, expiring through FY28, we believe MINDSPACE is best placed to re-finance at lower rates, reducing average cost of debt rates and reducing interest expense by ~Rs112 mn over FY26E-28E.

Fig 21 – MINDSPACE is best placed to raise debt at lower rates



Source: Company, BOBCAPS Research

Key Risks

- Persistent oversupply in Hyderabad, leading to pressurised rents and occupancy
- Slowdown in hiring of IT workers leading to reduced demand for office space leased by tech companies
- Higher-than-expected interest rates leading to higher interest expenses

Brookfield India Real Estate Trust (BIRET)

BIRET, sponsored by Brookfield Asset Management, operates and manages 24.5msf of Grade A office assets concentrated in NCR (~70% of total operating area). Over FY22-25, BIRET expanded its leasable portfolio at an annualised rate of +18.9% (higher than peer average of +9.4%) through the acquisition of stabilised office assets. Over this period, BIRET has also grown in-place rents by +8.3% (higher than peer average of +6.2%) to Rs97psf/m (higher than peer average Rs87.3psf/m), which we believe is driven by the quality of and demand for its office assets.

Fig 22 – BIRET at a glance

BIRET	2021	2022	2023	2024	2025
Leasable Portfolio (msf)	10.30	14.10	14.30	20.90	24.50
Committed Occupancy (%)	87.0	83.0	84.0	82.0	88.0
in-place Rent (₹psf/m)	65.00	63.00	65.00	84.00	97.00
re-leasing Spreads (%)	17.0	11.0	24.0	17.0	19.0
WALE (Y)	6.5	7.1	7.9	7.6	7.0
DPU	-	22.1	20.2	17.8	19.3
LTV (%)	18.0	31.0	32.0	24.9	28.0
Average Cost of Debt (%)	7.2	6.8	8.2	8.3	8.2

Source: Company, BOBCAPS Research

Investment Rationale

- **BIRET manages its leasable area most effectively** and as of 1Q26, was **generating the highest rents** (Rs97 psf/m) from its area leased to a diverse set of tenants. We expect efficient management of existing and added space to push in-place rents at an annualised rate of +3.9% over FY26E-28E.

- Over FY21-25, BIRET **expanded its leasable area at the fastest pace** (+18.9% CAGR) vs peers, by acquiring stabilised Grade A office assets. We believe BIRET is well positioned to capitalise on its conversations with its sponsor group to acquire properties and continue this pace of growth to drive annualised DPU growth of +9.2% over FY26-28.

- BIRET **funds growth with a combination of debt and equity capital**. We expect BIRET to benefit from lower interest expense over FY26E-28E as loans linked to the repo-rate (88% of total outstanding loans) adjust lower, but assume dilution of DPU as a result of the issue of additional units to fund growth using equity capital.

BIRET is managed by:

- **Alok Aggarwal (Chief Executive Officer & Managing Director)** is the Chairman of the Indian REITs Association (IRA), he plays a pivotal role in influencing the regulatory and industry framework for REITs in India. He holds degrees from the Indian School of Business, Hyderabad, and IIT Delhi.

- **Amit Jain (Chief Financial Officer)** holds more than 20 years of experience spanning diverse areas of Finance and Operations. He has occupied senior leadership roles at entities such as Global Infrastructure Partners, IDFC, EY, Macquarie, and Discovery Channel. He earned a Bachelor's degree in Commerce

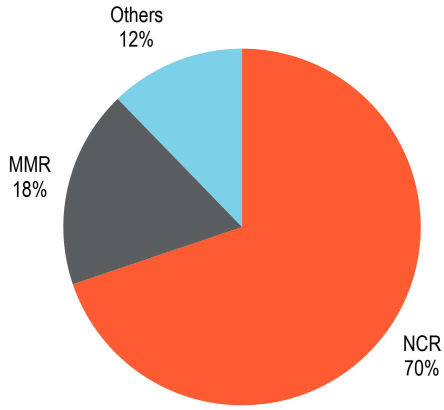
(Honours) from the University of Delhi and is a certified member of the Institute of Chartered Accountants of India.

- **Ruhi Goswami (Senior Vice President and General Counsel)** oversees the delivery of strategic legal guidance on corporate structuring, acquisitions, fundraising, and all aspects of legal and regulatory compliance. She earned a Bachelor's degree in Commerce from Shri Ram College of Commerce, University of Delhi, a Bachelor's degree in Law from the Faculty of Law, University of Delhi, and a Bachelor's degree in Civil Law from the University of Oxford.

Portfolio

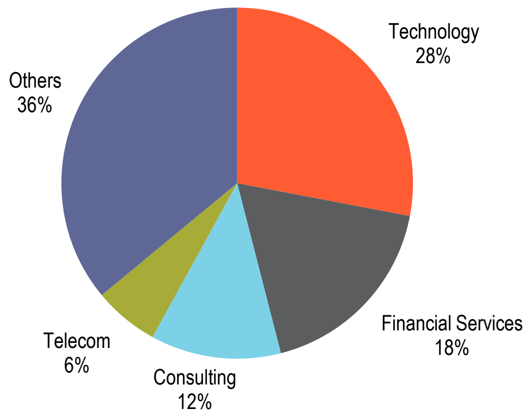
BIRET's portfolio is spread over Gurugram, Noida, Delhi, Mumbai and Kolkata. Technology and Financial Services tenants make up 28% and 18% of gross contracted rentals, respectively. As of 1Q26, the top 10 tenants accounted for 33% of gross contracted rentals (in line with peer average), with Tata Consultancy Services as its largest tenant (7.0% of gross contracted rentals)

Fig 23 – BIRET's portfolio is concentrated in Delhi NCR



Source: Company, BOBCAPS Research

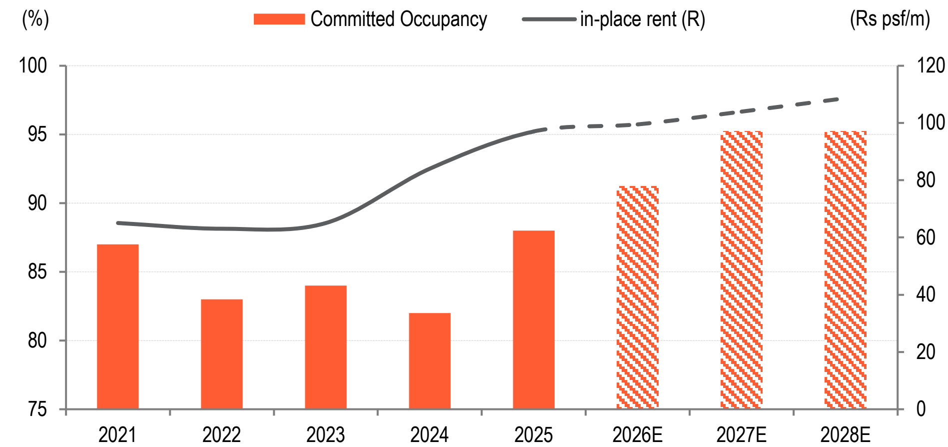
Fig 24 – BIRET's portfolio has a diverse set of tenants



Source: Company, BOBCAPS Research

Despite portfolio concentration in Delhi NCR, BIRET's portfolio has a more diversified tenant base vs peers. Committed occupancy of 89.0% as of 1Q26, was marginally below peer average of 89.63%, (FY21-1QFY26) and above-average occupancy in Grade A offices in Delhi NCR (87.8% over 1HCY25) demonstrating robust demand for space in its assets. We expect occupancy to improve to ~95% over FY26E-28E, driving annualised in-place rental growth of +3.9%.

Fig 25 – Space in BIRET's portfolio is used efficiently



Source: Company, BOBCAPS Research

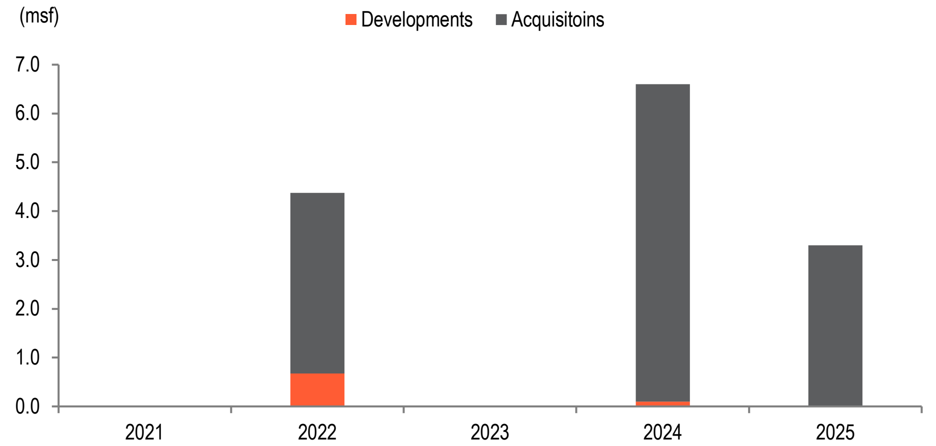
Growth

BIRET grows its leasable portfolio, mainly through the acquisition of stabilised Grade A office assets. Even though NOI yields of ~6% on average, are lower than yields achieved on acquiring and developing under-construction assets (~12% on average), we believe expanding liable area through acquisitions has helped BIRET expand its portfolio faster than peers and use capital more efficiently. Over FY21-25, leasable area has grown at an annualised rate of +24.2% (+11.9% peer average) with in-place rents growing at an annualised rate of +10.5%. We assume incremental NOI of ~Rs1,214mn from acquisitions over FY26E-28E.

Fig 26 – BIRET has grown leasable area faster than any of its peers

Source: Company, BOBCAPS Research

Fig 27 – BIRET acquires stabilised Grade A office assets

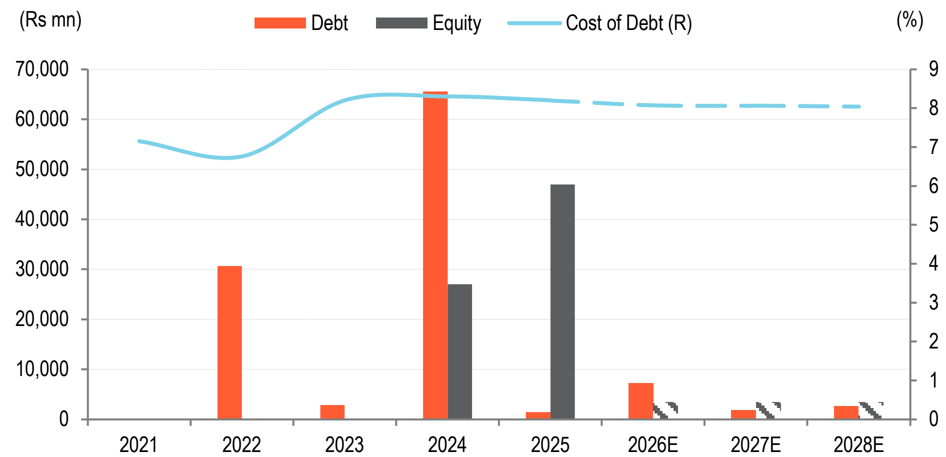


Source: Company, BOBCAPS Research

Funding

BIRET funds its growth with a combination of debt and equity capital. As of 1Q26, BIRET's LTV was 28.2% (lower than peer average 29.13%), but average cost of debt at 8.1% was higher than peer average of 7.83%. We believe this is mainly a result of its reliance on bank loans (~88% of its loans linked to the repo-rate). We expect BIRET to gain from lower interest expense, as interest rates adjust but assume dilution of DPU as a result of the issue of additional units to fund growth using equity capital.

Fig 28 – BIRET stands to benefit in a falling rate environment



Source: Company, BOBCAPS Research

Key Risks

- A slowdown in the pace of acquisitions limiting growth in leasable area
- Higher interest expense as a result of higher-than-expected interest rates
- DPU dilution from the issue of units to fund growth using equity capital

Embassy Office Parks REIT (EMBASSY)

EMBASSY, sponsored by Embassy Group and Blackstone, operates and manages completed leasable area of 40.4msf that is mostly concentrated in Bengaluru (64.3% of completed leasable area) with sizeable presence in Pune (53.8% of total area under REIT management), and NCR (20.6% of total area under REIT Management). EMABSSY dominates in Bengaluru (the largest office market in India), accounting for 63.0% of the total area under REIT Management in the city. We believe the quality and location of its assets has enabled EMBASSY to achieve average re-leasing spreads of 23.67% (21.94% peer average) over FY21-25. However, growth of its leasable portfolio (+1.7% CAGR) and in-place rents (+6.7% CAGR) over FY21-25 has lagged peers (+3.1% and +7.8% respectively). We estimate DPU growth (+11% CAGR) over FY26E-27E slowed down by higher debt service costs.

Fig 29 – EMBASSY at a Glance

EMBASSY	2021	2022	2023	2024	2025
Leasable Portfolio (msf)	32.30	33.80	34.30	36.50	40.30
Committed Occupancy (%)	88.9	87.1	86.0	85.0	87.0
in-place Rent (₹psf/m)	71.00	75.00	80.00	87.00	92.00
re-leasing Spreads (%)	18.0	18.0	16.0	31.0	24.0
WALE (Y)	7.0	7.0	6.6	6.8	8.4
DPU	21.5	21.8	21.7	21.3	23.0
LTV (%)	22.0	24.0	28.0	29.0	32.0
Average Cost of Debt (%)	7.8	6.7	7.3	7.8	7.9

Source: Company, BOBCAPS Research

Investment Rationale

- EMBASSY has **high quality assets concentrated in key areas of Bengaluru**. The high demand for office space, favourable supply dynamics in Bengaluru provide EMBASSY with the potential to capitalise on its established presence in the market to push occupancy and in-place rents to levels higher than peers. We expect occupancy to remain pressured but improve to ~93% (from 88% as of 1Q26) over FY26E-FY28E and result in marginal improvement of in-place rents of +0.6% CAGR.

- We believe **higher than average re-leasing spreads** over FY21-25 (35% as of 1Q26) are clear evidence of the robust demand for office space in EMBASSY REIT's assets. We expect the lease-up of vacant space and the re-leasing of ~23% of completed leasable area expiring through FY28 will result in significant tailwinds to Revenues from Operations (~+11% annualised over FY25-28E)

- EMBASSY is the most leverage office REIT with an LTV of 33% as of 1Q26. With **~63% of EMBASSY's outstanding debt maturing through FY28, EMBASSY could re-finance at lower rates, helping translate NOI growth into DPU growth**. However, given the high leverage, we remain cautious about EMBASSY's ability to make good use of this opportunity.

EMBASSY is managed by:

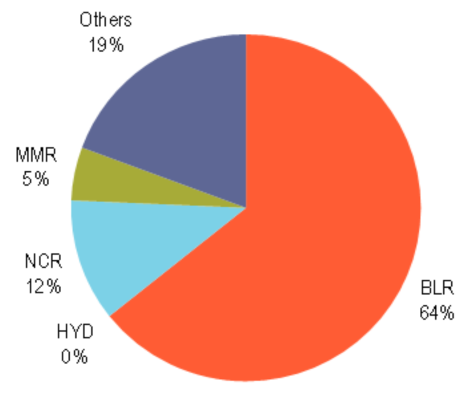
- **Amit Shetty (Chief Executive Officer)** has more than two decades of expertise in managing office leasing, asset dispositions, construction, and operations across India. Before joining Embassy REIT, he held senior leadership positions at Honeywell and CBRE. He has an MBA in Marketing from Bangalore University.
- **Abhishek Agrawal (Chief Financial Officer)** was the interim Chief Financial Officer, following his tenure as Finance Controller at EMBASSY. Previously, he was associated with S.R. Batliboi & Associates LLP. He is a qualified chartered accountant and graduated from St. Xavier's Collage, Kolkata in B.Com.
- **Shwetha Reddy (Chief Marketing Officer)** previously served as Vice President and Global Head of Public Relations at Pioneer Investments. She earned a Bachelor's degree in Commerce from the University of Mumbai.

Portfolio

As of 1Q26, EMBASSY's portfolio is leased out mainly to IT (30.0% of gross contracted rentals) and Financial Services (24% of gross contracted rentals) tenants. Its portfolio is more concentrated than peers with the top ten tenants contributing to 37.1% of gross contracted rentals (33.3% peer average). EMBASSY also has a sizeable portion of space (~7% of total leasable area) leased out to Flex-Working tenants, who have accounted for ~20% of the total office area leased in India over CY21-1HCY25.

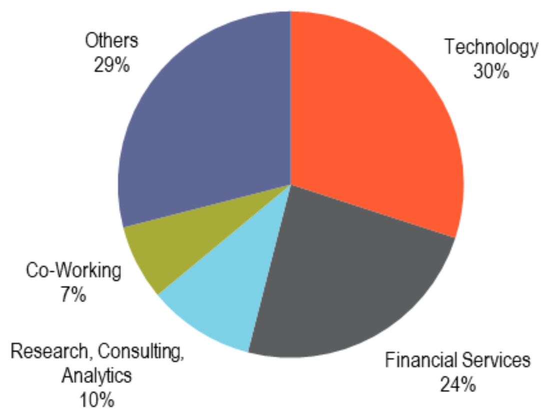
EMBASSY also has a portfolio of hospitality assets (1,096 keys) that contributed to ~7.1% of revenue from operations over FY21-25. These hotel assets are mostly present in areas contiguous to its business parks, aiding in the demand for office space in its assets.

Fig 30 – EMBASSY's Office assets are concentrated in Bengaluru



Source: Company, BOBCAPS Research

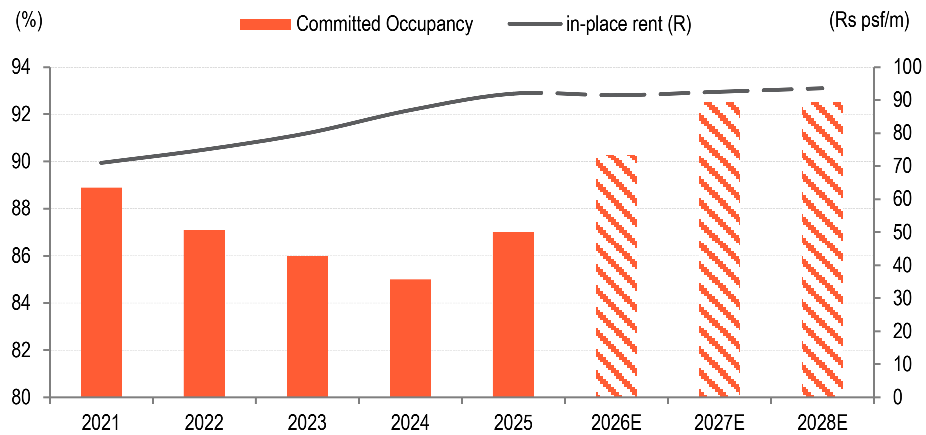
Fig 31 – EMBASSY's portfolio is mostly leased out to technology and financial services tenants



Source: Company, BOBCAPS Research

Committed occupancy deteriorated in EMBASSY's portfolio by -90bps over FY21-25, lagging peers who have increased committed occupancy by an average of +420bps over the period. As a result, growth of in-place rents at +6.7% CAGR has lagged peers who registered a growth of +7.8% CAGR on average. We expect occupancy to remain pressured, but believe upside from the lease-up of vacant space in EMBASSY's assets in Bengaluru and Noida to result in marginal improvement of in-place rents at an annualised rate of +0.6% over FY26E-FY28E.

Fig 32 – Lower occupancy pressurising rental growth



Source: Company, BOBCAPS Research

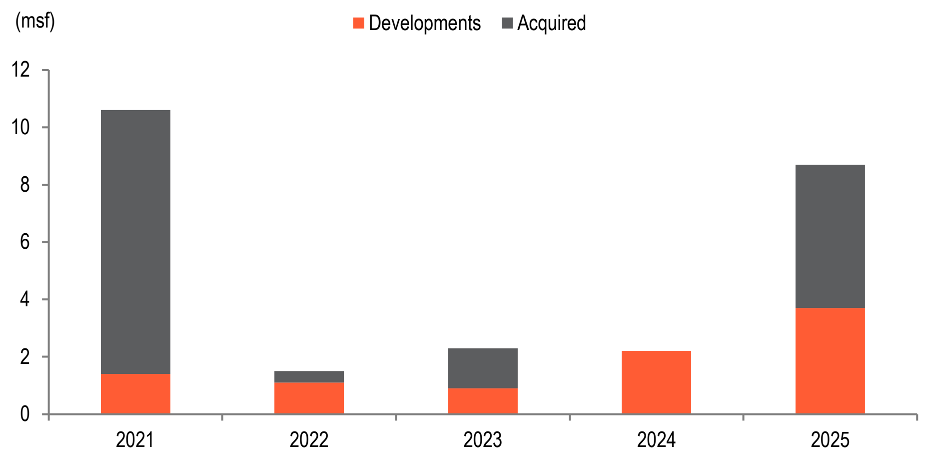
Growth

EMBASSY grows its leasable portfolio by investing in under-construction properties and developing them. The REIT has also opportunistically acquired sponsor assets (via ROFOs). Over FY21-25, EMBASSY has grown leasable area under management by +5.7% CAGR, in line with MINDSPACE (+5.8%, depends majorly on growth via developments), but lags BIRET (+24.2%, acquires stabilised office assets). We believe the pace of developments and lease-up post-delivery limits EMBASSY's ability to grow its leasable portfolio. Going forward, management expects to acquire additional sponsor assets and is open to executing third-party acquisitions in gateway office markets. We expect incremental income of ~Rs4.5bn from stabilised developments of ~6.1msf by FY28.

Fig 33 – Slow growth in leasable area

Source: Company, BOBCAPS Research

Fig 34 – Pace of developments limiting growth

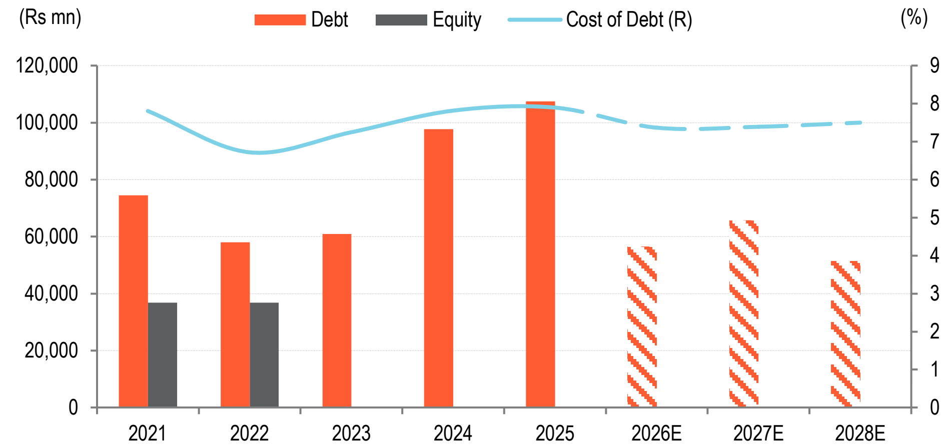


Source: Company, BOBCAPS Research

Funding

EMBASSY relies mostly on debt to fund its expansion and has been accumulating debt rapidly. As of 1Q26, EMBASSY has the highest LTV amongst its peers of 33.0% (29.13% peer average), though this is not being captured in its average cost of debt yet (7.55% vs peer average of 7.93%). However, with ~63% of EMBASSY's outstanding debt maturing through FY28, we believe the REIT has the opportunity to re-finance at lower rates, but might not be able to make the best use of the current interest rate cycle to reduce its cost of debt effectively, given its high leverage.

Fig 35 – EMBASSY is more levered vs peers



Source: Company, BOBCAPS Research

Key Risks

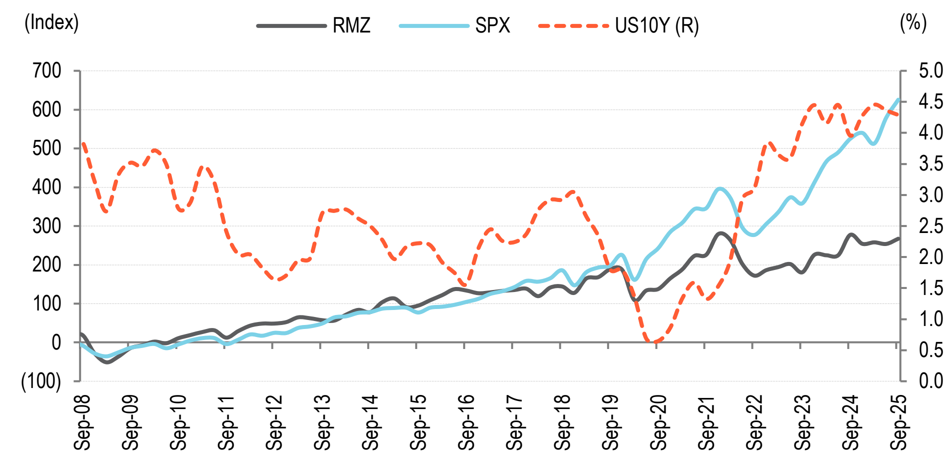
- Stagnant or slower-than-expected recovery in occupancy and thus, in-place rents
- Slow pace of developments limiting upside from incremental income from projects
- Higher interest costs if expiring debt is re-financed at higher-than-expected rates

Valuation

We believe a REIT's value is driven by its ability make accretive investments to grow its area under management (driving capital appreciation) and its ability to grow its distributions/dividend (driving distribution/dividend yields).

To put Indian REITs in perspective, we compare returns and valuation with those of US REITs. US REITs (RMZ – MSCI REIT Index) have outperformed the S&P500 (SPX) over CY2010-2016 as US10Y yields trended downward. Over the period RMZ delivered annualised total returns of +4.3% (vs. +2.8% delivered by the SPX) and traded at FFO multiples of ~18.6x as of 3QFY2017 (IND Fiscal). However, since CY2017 as US10Y yields started to pick up the RMZ has underperformed delivering +4.5% total returns (vs. +10.0% by SPX) and FFO multiples contracted to an average of 14.4x by 4Q25. COVID dampened sentiment around real estate further preventing REITs from recovering as rates fell over the COVID pandemic. US REITs (Retail, Office and Residential) delivered annualised total returns of ~+4.1% over FY21-25 (IND fiscal). Retail REITs outperformed delivering ~+15.2% annualised total returns and office REITs underperformed delivering ~-5.7% annualised total returns.

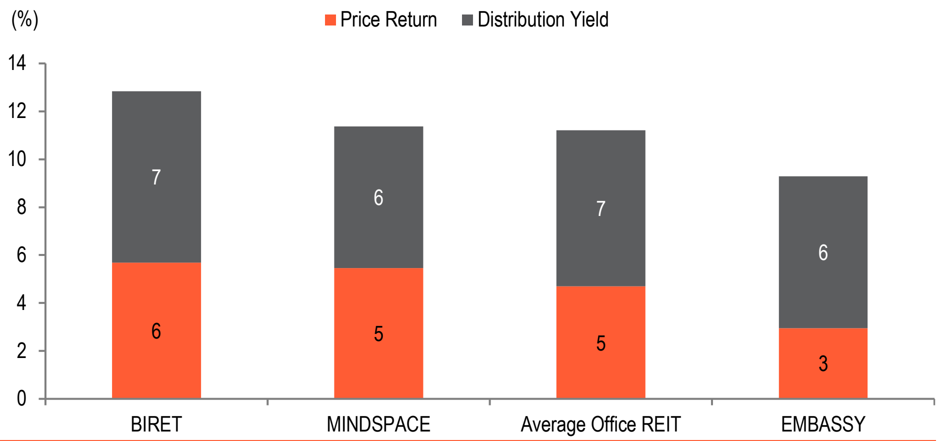
Fig 36 – RMZ has underperformed the SPX since 2017



Source: , BOBCAPS Research, Bloomberg

Over FY22-25, US REITs delivered annualised total returns (capital appreciation + dividend/distribution) of ~-4.2% and traded at average FFO multiples of ~14.1x dragged down by mainly by the underperformance by Office REITs. Office REITs delivered average annualised total returns of ~-23.0% (Office REIT share prices have fallen) and traded at average FFO multiples of ~10.4x as concerns related to remote work and reduced demand for office spaces took centre stage. Indian Office REITs however, have delivered ~11.2% on average over the period, lifted by the secular tailwinds of increasing demand for workspaces and the consolidation of office space operators.

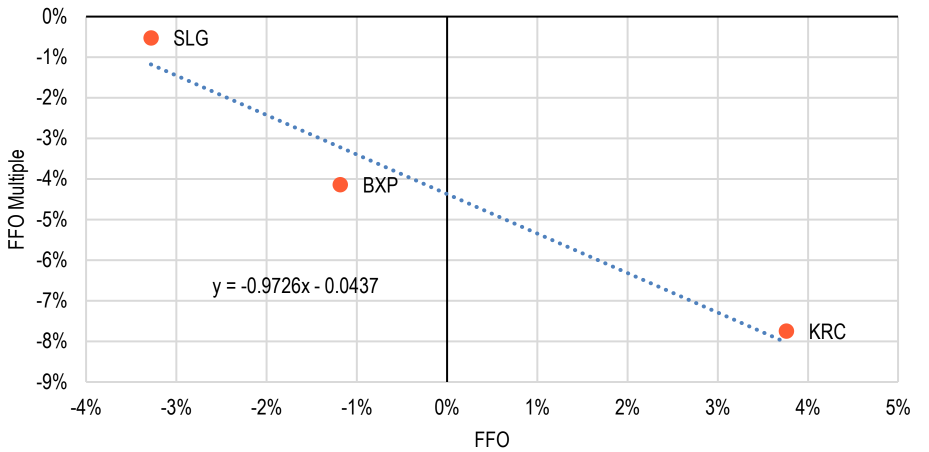
Fig 37 – Indian Office REITs have yielded ~11.2% over FY22-25



Source: BOBCAPS Research

We believe the negative correlation we observe when comparing FFO/share (Funds from Operations) growth with FFO multiples in the US is a result of the persistent concerns around the recovery of Office REITs (Fig. 38). In India however, average office REIT DPU has grown at an annualised rate of +1.11% and the average DPU multiple has expanded at an annualised rate of +1.08%. We also notice a negative correlation between DPU growth and expansion of DPU multiples, implying that the markets are underappreciating DPU growth especially when we considered the fundamental growth story of Indian Office REITs.

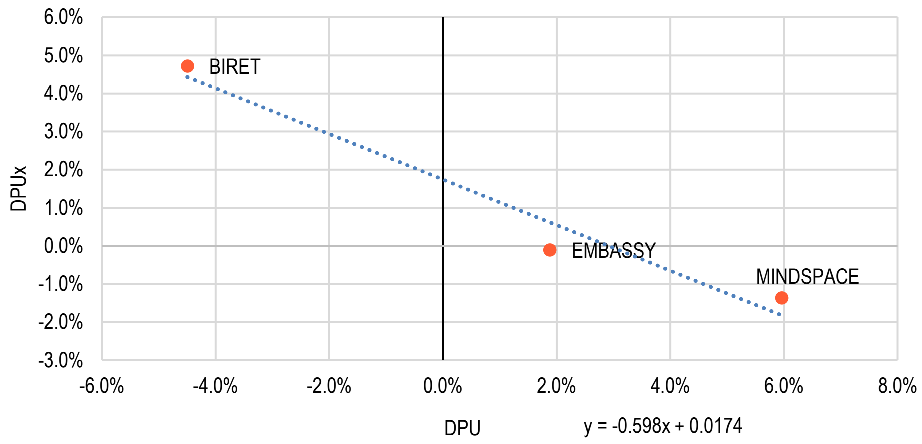
Fig 38 – Concerns around the recovery of US REITs persist



Source: , BOBCAPS Research

We expect this dissonance to resolve in the long-term and believe higher DPU growth rates merit higher DPU multiples. Driven by increased area under REIT management, higher occupancy and in-place rents, we expect Office REITs in our coverage to deliver average annualised DPU growth rates of +11.0% over FY26E-28E. Our target prices are based on DPU multiples that have been adjusted for DPU growth and a positive correlation between DPU growth rates and stock price, applied to 5Q-8Q DPU estimates (2Q27E-1Q28E).

Fig 39 – Markets underappreciating DPU growth of Indian Office REITs



Source: BOBCAPS Research

Fig 40 – Estimates and Valuation

	FY2026E	FY2027E	FY2028E	DPU (FY25-28E)	DPU Q5-Q8	DPU x	1Y Target Price	Recommendation
MINDSPACE	24.15	26.79	31.67	13.0	28.81	18.1x	521	BUY
vs. BBG Consensus (%)	0.3	0.6	0.7					
BIRET	21.38	23.09	25.08	9.2	23.27	16.3x	379	BUY
vs. BBG Consensus (%)	0.3	0.6	0.8					
EMBASSY	25.25	27.89	31.45	11.0	28.59	15.8x	451	HOLD
vs. BBG Consensus (%)	(0.8)	(0.3)	0.4					

Source: BOBCAPS Research, Company

Stock performance

Fig 41 – MINDSPCE

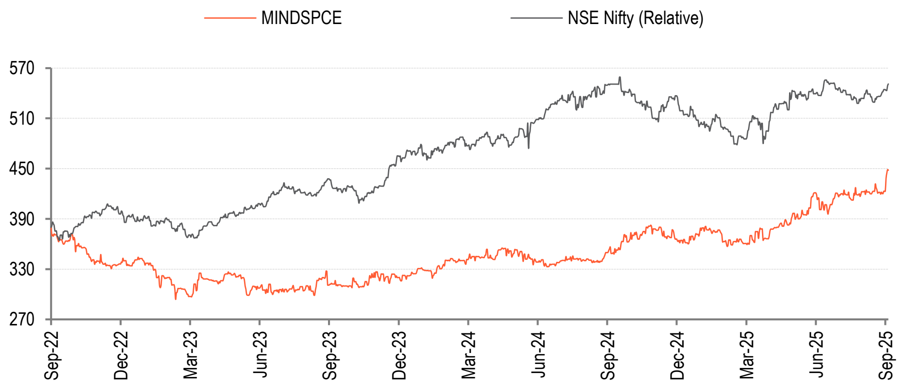


Fig 42 – BIRET

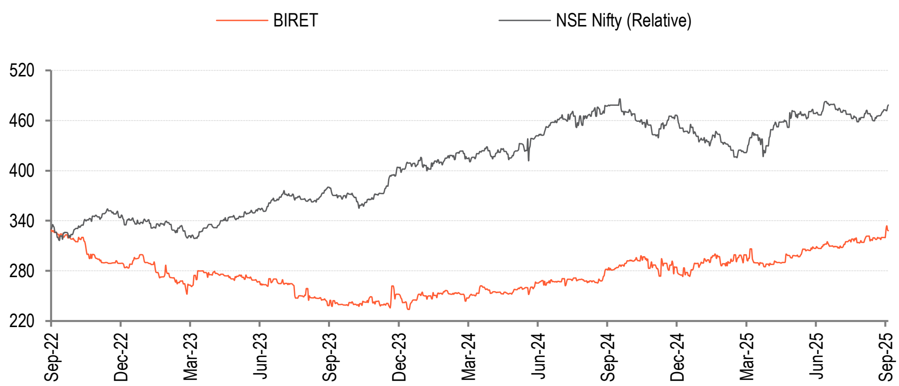
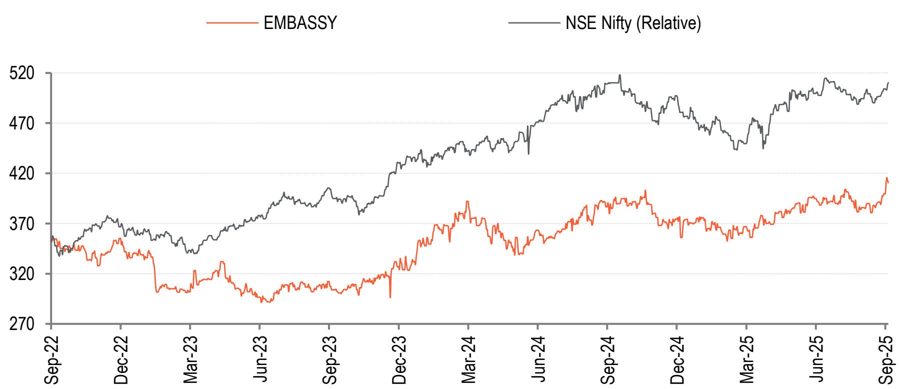


Fig 43 – EMBASSY



Source: NSE

Financials – MINDSPCE

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Total revenue	**24,769**	**26,756**	**32,628**	**38,166**	**42,273**
EBITDA	17,996	19,682	24,451	28,541	31,475
Depreciation	3,827	4,060	4,592	4,592	4,592
EBIT	14,169	15,622	19,859	23,949	26,883
Net interest inc./(exp.)	4,571	5,573	9,066	9,947	10,552
Other inc./(exp.)	(3,892)	(4,671)	(5,003)	(5,936)	(6,787)
Exceptional items	(364)	(33)	0	0	0
EBT	9,109	9,682	11,274	14,483	16,812
Income taxes	3,494	4,544	4,470	6,088	7,202
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	362	375	370	370	370
Reported net profit	**5,615**	**5,137**	**6,804**	**8,394**	**9,611**
Adjustments	0	0	0	0	0
Adjusted net profit	**5,615**	**5,137**	**6,804**	**8,394**	**9,611**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	1,088	1,313	1,313	1,313	1,313
Other current liabilities	1,185	1,317	1,317	1,317	1,317
Provisions	7	12	12	12	12
Debt funds	69,728	101,098	118,171	124,629	132,446
Other liabilities	431	586	586	586	586
Equity capital	141,689	140,544	132,756	124,833	115,151
Reserves & surplus	0	0	0	0	0
Shareholders' fund	162,839	165,821	165,821	165,821	165,821
Total liab. and equities	**238,446**	**271,603**	**280,888**	**279,423**	**277,557**
Cash and cash eq.	3,250	6,379	7,412	4,259	4,486
Accounts receivables	1,092	587	587	587	587
Inventories	44	50	50	50	50
Other current assets	589	707	707	707	707
Investments	33	39	39	39	39
Net fixed assets	0	0	0	0	0
CWIP	0	648	648	648	648
Intangible assets	219,734	247,740	255,993	257,680	255,588
Deferred tax assets, net	301	723	723	723	723
Other assets	1,764	2,214	2,214	2,214	2,214
Total assets	**238,446**	**271,603**	**280,888**	**279,423**	**277,557**

Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operations	**15,267**	**20,168**	**20,580**	**22,934**	**24,755**
Capital expenditures	(10,828)	(14,882)	(12,845)	(6,280)	(2,500)
Change in investments	(3,759)	(111)	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	**(14,587)**	**(14,993)**	**(12,845)**	**(6,280)**	**(2,500)**
Equities issued/Others	3,400	0	0	0	0
Debt raised/repaid	27,360	49,582	31,492	29,038	15,634
Interest expenses	(4,561)	(7,220)	(9,066)	(9,947)	(10,552)
Dividends paid	(12,107)	(12,437)	(14,710)	(16,317)	(19,293)
Other financing cash flows	(15,727)	(34,653)	(11,702)	(22,581)	(7,817)
Cash flow from financing	**(1,635)**	**(4,727)**	**(3,986)**	**(19,807)**	**(22,028)**
Chg in cash & cash eq.	**(955)**	**448**	**3,749**	**(3,153)**	**227**
Closing cash & cash eq.	**3,350**	**3,143**	**7,412**	**4,259**	**4,486**

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	8.9	7.8	10.6	13.2	15.2
Adjusted EPS	8.9	7.8	10.6	13.2	15.2
Dividend per share	19.2	22.0	24.1	26.8	31.7
Book value per share	251.7	243.1	230.3	217.3	201.4

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	11.0	10.2	8.4	7.2	6.5
EV/EBITDA	15.2	13.9	11.2	9.6	8.7
Adjusted P/E	50.6	57.3	42.4	34.0	29.5
P/BV	1.8	1.8	1.9	2.1	2.2

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	61.6	53.1	60.4	58.0	57.2
Interest burden (PBT/EBIT)	64.3	62.0	56.8	60.5	62.5
EBIT margin (EBIT/Revenue)	57.2	58.4	60.9	62.7	63.6
Asset turnover (Rev./Avg TA)	10.4	9.9	11.6	13.7	15.2
Leverage (Avg TA/Avg Equity)	1.6	1.8	2.0	2.1	2.3
Adjusted ROAE	3.8	3.5	4.8	6.3	7.8

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	7.5	8.0	21.9	17.0	10.8
EBITDA	15.4	9.4	24.2	16.7	10.3
Adjusted EPS	85.3	(11.7)	35.1	24.7	15.2
Profitability & Return ratios (%)					
EBITDA margin	72.7	73.6	74.9	74.8	74.5
EBIT margin	57.2	58.4	60.9	62.7	63.6
Adjusted profit margin	22.7	19.2	20.9	22.0	22.7
Adjusted ROAE	3.8	3.5	4.8	6.3	7.8
ROCE	6.9	6.4	7.8	9.5	10.7
Working capital days (days)					
Receivables	0	0	0	0	0
Inventory	0	0	0	0	0
Payables	0	0	0	0	0
Ratios (x)					
Gross asset turnover	0.1	0.1	0.1	0.1	0.2
Current ratio	0.4	0.5	0.5	0.4	0.4
Net interest coverage ratio	3.1	2.8	2.2	2.4	2.5
Adjusted debt/equity	0.6	0.8	1.0	1.1	1.3

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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Financials – BIRET

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Total revenue	**18,546**	**24,709**	**30,578**	**33,721**	**35,324**
EBITDA	13,273	18,114	23,013	24,371	23,911
Depreciation	4,110	4,299	4,191	4,191	4,191
EBIT	9,162	13,815	18,822	20,181	19,720
Net interest inc./(exp.)	8,518	10,745	8,208	8,292	8,439
Other inc./(exp.)	4,657	5,177	6,875	8,526	10,552
Exceptional items	0	0	0	0	0
EBT	645	3,071	10,614	11,889	11,281
Income taxes	683	883	2,328	3,259	3,867
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	(541)	(938)	(1,029)	(999)
Reported net profit	**(38)**	**1,647**	**7,349**	**7,601**	**6,416**
Adjustments	0	0	0	0	0
Adjusted net profit	**(38)**	**1,647**	**7,349**	**7,601**	**6,416**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	1,043	1,018	1,018	1,018	1,018
Other current liabilities	616	1,029	1,029	1,029	1,029
Provisions	1,187	22	22	22	22
Debt funds	120,069	90,585	92,931	94,131	96,229
Other liabilities	33	1,407	1,407	1,407	1,407
Equity capital	109,101	151,107	154,393	157,679	160,965
Reserves & surplus	0	0	0	0	0
Shareholders' fund	122,613	160,106	158,561	155,742	149,956
Total liab. and equities	**256,121**	**265,878**	**266,678**	**265,059**	**261,372**
Cash and cash eq.	3,703	5,746	8,223	8,378	6,464
Accounts receivables	731	672	672	672	672
Inventories	0	0	0	0	0
Other current assets	661	1,001	1,001	1,001	1,001
Investments	238,376	235,969	234,195	232,421	230,647
Net fixed assets	407	832	832	832	832
CWIP	1,199	1,751	1,751	1,751	1,751
Intangible assets	0	3	3	3	3
Deferred tax assets, net	4,622	3,909	3,909	3,909	3,909
Other assets	577	871	871	871	871
Total assets	**256,121**	**265,878**	**266,580**	**264,962**	**261,274**

Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operations	**14,132**	**19,157**	**20,685**	**21,113**	**20,044**
Capital expenditures	(21,406)	(2,875)	(2,417)	(2,417)	(2,417)
Change in investments	159	2,035	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	**(21,246)**	**(840)**	**(2,417)**	**(2,417)**	**(2,417)**
Equities issued/Others	23,054	35,000	3,286	3,286	3,286
Debt raised/repaid	(35,008)	(41,629)	(4,867)	(6,001)	(8,393)
Interest expenses	(10,211)	(9,387)	(8,208)	(8,292)	(8,439)
Dividends paid	(7,332)	(9,432)	(13,118)	(14,734)	(16,486)
Other financing cash flows	37,056	9,077	7,213	7,201	10,491
Cash flow from financing	**7,559**	**(16,371)**	**(15,694)**	**(18,540)**	**(19,541)**
Chg in cash & cash eq.	**445**	**1,946**	**2,574**	**156**	**(1,914)**
Closing cash & cash eq.	**3,703**	**5,649**	**8,223**	**8,378**	**6,464**

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	(0.3)	3.0	12.0	11.9	9.8
Adjusted EPS	(0.3)	3.0	12.0	11.9	9.8
Dividend per share	17.8	19.3	21.4	23.1	25.1
Book value per share	279.2	263.4	256.4	243.3	226.7

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	10.8	8.1	6.5	5.9	5.6
EV/EBITDA	15.0	11.0	8.7	8.2	8.3
Adjusted P/E	(1,180.2)	110.0	27.4	27.5	33.5
P/BV	1.2	1.2	1.3	1.3	1.4

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	(5.9)	53.6	69.2	63.9	56.9
Interest burden (PBT/EBIT)	7.0	22.2	56.4	58.9	57.2
EBIT margin (EBIT/Revenue)	49.4	55.9	61.6	59.8	55.8
Asset turnover (Rev./Avg TA)	7.2	9.3	11.5	12.7	13.5
Leverage (Avg TA/Avg Equity)	2.1	1.7	1.7	1.7	1.7
Adjusted ROAE	0.0	1.0	4.6	4.9	4.3

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	50.8	33.2	23.7	10.3	4.8
EBITDA	56.5	36.5	27.0	5.9	(1.9)
Adjusted EPS	(107.1)	(1173.0)	301.9	(0.4)	(18.0)
Profitability & Return ratios (%)					
EBITDA margin	71.6	73.3	75.3	72.3	67.7
EBIT margin	49.4	55.9	61.6	59.8	55.8
Adjusted profit margin	(0.2)	6.7	24.0	22.5	18.2
Adjusted ROAE	0.0	1.0	4.6	4.9	4.3
ROCE	3.8	5.4	7.4	8.0	7.9
Working capital days (days)					
Receivables	0	0	0	0	0
Inventory	0	0	0	0	0
Payables	0	0	0	0	0
Ratios (x)					
Gross asset turnover	0.1	0.1	0.1	0.1	0.1
Current ratio	0.4	0.7	0.9	0.9	0.8
Net interest coverage ratio	0.1	0.3	1.3	1.4	1.3
Adjusted debt/equity	1.1	0.7	0.7	0.7	0.7

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – EMBASSY

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Total revenue	**38,883**	**41,813**	**45,881**	**51,120**	**58,231**
EBITDA	29,724	31,888	35,662	39,498	45,310
Depreciation	7,572	9,298	9,544	9,544	9,544
EBIT	22,152	22,590	26,119	29,955	35,766
Net interest inc./(exp.)	10,872	13,286	15,575	17,018	18,183
Other inc./(exp.)	(1,582)	(2,122)	(1,994)	(2,226)	(2,440)
Exceptional items	0	0	0	0	0
EBT	10,891	1,930	10,161	12,744	17,906
Income taxes	1,250	(14,123)	1,527	1,780	2,554
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	892	1,155	1,656	1,846	2,361
Reported net profit	**9,640**	**16,053**	**8,634**	**10,964**	**15,352**
Adjustments	0	0	0	0	0
Adjusted net profit	**9,640**	**16,053**	**8,634**	**10,964**	**15,352**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	425	534	534	534	534
Other current liabilities	1,784	1,863	1,863	1,863	1,863
Provisions	17	17	17	17	17
Debt funds	168,080	198,073	214,190	232,990	244,828
Other liabilities	668	1,291	1,291	1,291	1,291
Equity capital	288,262	288,262	288,262	288,262	288,262
Reserves & surplus	0	0	0	0	0
Shareholders' fund	232,742	227,612	211,386	194,716	178,817
Total liab. and equities	**473,759**	**489,478**	**489,369**	**491,499**	**487,438**
Cash and cash eq.	10,114	6,630	1,990	4,836	8,558
Accounts receivables	348	820	820	820	820
Inventories	51	45	45	45	45
Other current assets	1,178	1,660	1,660	1,660	1,660
Investments	30	670	670	670	670
Net fixed assets	0	0	0	0	0
CWIP	1,512	3,129	3,129	3,129	3,129
Intangible assets	351,691	374,115	378,646	377,931	370,148
Deferred tax assets, net	162	121	121	121	121
Other assets	9,982	4,405	4,405	4,405	4,405
Total assets	**473,759**	**489,478**	**489,368**	**491,499**	**487,438**

Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operations	**25,866**	**30,793**	**33,732**	**37,234**	**42,542**
Capital expenditures	(16,294)	(17,510)	(16,113)	(10,867)	(3,799)
Change in investments	1,945	(1,087)	0	0	0
Other investing cash flows	2,552	2,065	1,136	1,136	1,136
Cash flow from investing	**(11,797)**	**(16,531)**	**(14,977)**	**(9,731)**	**(2,663)**
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	19,647	17,344	16,117	18,800	11,838
Interest expenses	(11,200)	(13,703)	(15,575)	(17,018)	(18,183)
Dividends paid	(20,590)	(21,374)	(23,937)	(26,439)	(29,813)
Other financing cash flows	15	(190)	0	0	0
Cash flow from financing	**(12,128)**	**(17,923)**	**(23,395)**	**(24,657)**	**(36,157)**
Chg in cash & cash eq.	**1,940**	**(3,661)**	**(4,640)**	**2,846**	**3,722**
Closing cash & cash eq.	**10,113**	**6,630**	**1,990**	**4,836**	**8,558**

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	10.2	16.9	9.1	11.6	16.2
Adjusted EPS	10.2	16.9	9.1	11.6	16.2
Dividend per share	21.3	23.0	25.3	27.9	31.5
Book value per share	245.5	240.1	223.0	205.4	188.6

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	10.0	9.3	8.5	7.6	6.7
EV/EBITDA	13.1	12.2	10.9	9.9	8.6
Adjusted P/E	40.4	24.3	45.1	35.5	25.4
P/BV	1.7	1.7	1.8	2.0	2.2

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	88.5	831.6	85.0	86.0	85.7
Interest burden (PBT/EBIT)	49.2	8.5	38.9	42.5	50.1
EBIT margin (EBIT/Revenue)	57.0	54.0	56.9	58.6	61.4
Asset turnover (Rev./Avg TA)	8.2	8.5	9.4	10.4	11.9
Leverage (Avg TA/Avg Equity)	2.0	2.2	2.3	2.5	2.7
Adjusted ROAE	4.1	7.1	4.1	5.6	8.6

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	9.1	7.5	9.7	11.4	13.9
EBITDA	10.6	7.3	11.8	10.8	14.7
Adjusted EPS	90.5	66.5	(46.2)	27.0	40.0
Profitability & Return ratios (%)					
EBITDA margin	76.4	76.3	77.7	77.3	77.8
EBIT margin	57.0	54.0	56.9	58.6	61.4
Adjusted profit margin	24.8	38.4	18.8	21.4	26.4
Adjusted ROAE	4.1	7.1	4.1	5.6	8.6
ROCE	2.6	3.2	3.8	4.1	4.4
Working capital days (days)					
Receivables	0	0	0	0	0
Inventory	0	0	0	0	0
Payables	0	0	0	0	0
Ratios (x)					
Gross asset turnover	0.1	0.1	0.1	0.1	0.1
Current ratio	0.3	0.2	0.1	0.1	0.2
Net interest coverage ratio	2.0	1.7	1.7	1.8	2.0
Adjusted debt/equity	1.0	1.2	1.3	1.5	1.7

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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